



Health Services
LOS ANGELES COUNTY

**Los Angeles County
Board of Supervisors**

Hilda L. Solis
First District

Mark Ridley-Thomas
Second District

Sheila Kuehl
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Deputy Director, Strategy and Operations

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www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles County
residents through direct services at
DHS facilities and through
collaboration with community and
university partners.*



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August 2, 2016

TO: Supervisor Hilda Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Mitchell H. Katz, M.D.
Director

**SUBJECT: NOTIFICATION OF DEPARTMENT OF HEALTH
SERVICES' USE OF DELEGATED AUTHORITY TO
EXTEND THE TERMS OF FOUR RADIATION
THERAPY SERVICES AGREEMENTS**

This is to advise the Board that the Department of Health Services (DHS or the Department) has exercised its delegated authority, approved on May 29, 2015 (Attachment 1), authorizing the Director of Health Services, or his designee, to execute amendments to extend the terms of the Radiation Therapy Services Agreements with four Contractors identified on Attachment 2, for six (6) months through December 31, 2016, subject to review and approval by County Counsel, and notification to the Board and Chief Executive Office.

The four contractors provide County-registered and referred oncology patients with access to radiation therapy services that includes intensity modulated radiation therapy patient plans, treatment delivery sessions, 3-D treatment plans, computed tomography, follow-up visits and additional as-needed support for the multiple DHS facilities to reduce patient backlogs. Contracting with multiple providers who can provide services improves the geographical access for oncology patient referrals.

The amendments executed under this delegated authority will ensure the continued availability of radiation therapy services and extend the contract terms through December 31, 2016, during which time the Department will develop and release a competitive solicitation to initiate the process for successor agreements.

The Honorable Board of Supervisors
August 2, 2016
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County Counsel has reviewed and approved the Amendments as to form.

If you have any questions or require additional information, please let me know.

MHK:ms

Attachments (2)

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

RADIATION THERAPY SERVICE AGREEMENTS

Contractor

Contract Number

South Bay Cancer Center

H-702803

St. Francis Medical Center

H-702801

St. Vincent Medical Center

H-703799

Valley Radiotherapy Associates Medical Group, Inc.

H-703020



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May 26, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENTS TO FOUR AGREEMENTS FOR
RADIATION THERAPY SERVICES
(ALL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval of Amendments to extend the terms of four Agreements with various contractors for the continued provision of radiation therapy services for the Department of Health Services.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute Amendments to the Agreements with four Contractors, identified on Attachment A, effective upon Board approval, to extend the term of each Agreement for the period July 1, 2015 through June 30, 2016, for the continued provision of as-needed radiation therapy services for multiple Department of Health Services (DHS or Department) facilities, with an adjustment to the rate structure for certain modalities, for a total estimated cost of \$964,000 with an option to further extend the Agreement term for up to six additional months.
2. Delegate authority to the Director, or his designee, to execute Amendments to the Agreements to: i) exercise the option and extend the term of the Agreements for up to six additional months, at an estimated cost of \$482,000, ii) comply with American Medical Association (AMA) revisions, Medicare and/or Medi-Cal program revisions and reimbursement directives, and iii) incorporate and/or revise certain non-substantive terms and conditions subject to review

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

26 May 26, 2015

PATRICK OGAWA
ACTING EXECUTIVE OFFICER

The Honorable Board of Supervisors
May 26, 2015
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and approval by County Counsel, with notice to the Chief Executive Office (CEO) and the Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the first recommendation will allow the Director, or his designee, to execute Amendments, substantially similar to Exhibit I, to the Radiation Therapy Services Agreements to provide continued availability of radiation therapy services for patient referrals, as necessary, from Harbor-UCLA Medical Center (H-UCLA MC), High Desert Regional Health Center (HDRHC), LAC+USC Medical Center (LAC+USC MC), Martin Luther King, Jr. Outpatient Center (MLK OC), Olive View-UCLA Medical Center (OV-UCLA MC) and Rancho Los Amigos National Rehabilitation Center (RLANRC). Although the contract services are available to all of the DHS facilities, the primary users of the services are H-UCLA MC, MLK OC and OV-UCLA MC. The current Agreements are slated to expire on June 30, 2015.

The Amendments also include revised exhibits and schedules which update the Current Procedural Terminology (CPT) Codes for consistency with AMA revisions that remove obsolete procedures, modify existing procedures, add newly developed procedures and implement adjustments to the maximum allowable per case rates for intensity modulated radiation therapy (IMRT) services. In addition, these Amendments include language to provide the flexibility for DHS facilities to control costs for IMRT services when the Contractors bill on a per procedure basis by implementing a structure that will result in the County paying the lesser of the total per procedure price for an IMRT treatment plan or a maximum amount for each case.

Contractors provide County-registered and referred oncology patients with access to radiation therapy services that includes IMRT patient plans, treatment delivery sessions, 3-D treatment plans, computed tomography (CT), follow-up visits and additional as-needed support for the DHS facilities to reduce patient backlogs. Contracting with multiple providers who can provide services improves geographical access for oncology patient referrals.

The recommended Amendments will ensure the continued availability of radiation therapy services through June 30, 2016, during which time the Department will complete an enterprise-wide assessment of the radiation oncology service needs and the capacity to provide the services in order to develop a business plan that will identify the types and level of radiation therapy services DHS will provide directly or through contracted resources.

Approval of the second recommendation will authorize the Director to execute Amendments that will incorporate and/or revise non-substantive terms, conditions and Board required provisions, further extend the Agreement terms for up to a maximum of

The Honorable Board of Supervisors
May 26, 2015
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six months through December 31, 2016; and implement revised program and reimbursement directives that may be issued by Medicare and/or Medi-Cal.

Implementation of Strategic Plan Goal

The recommended action supports Goal 3, Integrated Services Delivery, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total estimated cost for the extension period of July 1, 2015 through June 30, 2016 is \$964,000. If exercised, the estimated cost for the optional extension, up to a maximum of six (6) months effective July 1, 2016 through December 31, 2016 is \$482,000. Attachment A provides a breakdown of the estimated costs for services provided by each Contractor. Funding for these services is included in the Fiscal Year 2015-16 Recommended Budget and will be requested in future years, as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Board approved Agreements on June 5, 2007 with four Contractors selected through a solicitation process, Santa Clarita Radiotherapy Medical Group, St. Francis Medical Center, St. Vincent Medical Center and South Bay Cancer Center, LLC; to provide temporary, as-needed radiation therapy services for patients referred by various DHS facilities. The Board also delegated authority to the Director to execute Agreements with other qualified and interested vendors who meet the DHS certification criteria and accept the County rates of payment for these services.

DHS exercised its delegated authority in 2008 to add Valley Radiotherapy Associates Medical Group, Inc., an agency that expanded the geographical access for patient referrals in the areas of the San Fernando Valley and Santa Clarita Valley and subsequently the solicitation was closed.

On July 2, 2012, the Department received written notification from Santa Clarita Radiotherapy Medical Group that effective September 1, 2012, the agency would cease operations due to their planned closure of the agency, therefore the contract was terminated.

The Board approved subsequent Amendments to extend the current Agreement terms through June 30, 2015 to allow the Department the additional time necessary to develop a solicitation for successor agreements. During the development of the solicitation, it was determined that an enterprise-wide solution was needed to address changes associated with the Affordable Care Act and, therefore, a DHS workgroup was formed with the guidance and support of the DHS Chief Medical Officer (CMO) to develop a

The Honorable Board of Supervisors

May 26, 2015

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business plan to identify the types and level of radiation therapy services DHS will provide directly or through contracted resources.

The radiation therapy services Agreements are exempt from Proposition A contracting guidelines because the services are intermittent and as-needed and, therefore, are not subject to the Living Wage Program.

The termination provisions of each Agreement allow for termination by the County with or without cause with a 30-day advance written notice by the County.

County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS

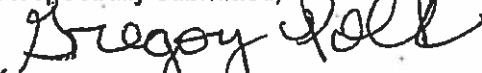
The current Agreements with radiation therapy providers were executed as a result of a Request for Proposals (RFP) solicitation process.

DHS has suspended the development of a solicitation for successor Agreements pending the completion of an enterprise-wide assessment of radiation oncology service needs and the development of a business plan.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the recommended actions will ensure the continued provision of critically needed radiation therapy patient services referred by DHS facilities.

Respectfully submitted,


for Mitchell H. Katz, M.D.
Director

MHK:ms

Attachments (2)

c: Chief Executive Office
County Counsel
Executive Officer, Board of Supervisors

Attachment A

RADIATION THERAPY SERVICE AGREEMENTS

SUMMARY OF FISCAL IMPACT/FINANCING

<u>Contractor</u>	<u>Date of Board Approval 07/01/2015 to 06/30/16</u>	<u>Optional Six Months 07/01/16 to 12/31/16</u>	<u>Total Contract Sum 07/01/15 to 12/31/16</u>
South Bay Cancer Center	\$261,000	\$130,500	\$391,500
St. Francis Medical Center	\$283,000	\$141,500	\$424,500
St. Vincent Medical Center	\$105,000	\$52,500	\$157,500
Valley Radiotherapy Associates Medical Group, Inc.	\$315,000	\$157,500	\$472,500
<hr/>			
Total	\$964,000	\$482,000	\$1,446,000

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